

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM  
Meeting Date: November 19, 2008  
Request Infill Grant Approval**

Prepared by: *Center for Creative Land Recycling (CCLR) & Robby Biegler, CPCFA*

<b>Applicant:</b> S. Thomas Enterprises of Sacramento, LLC	<b>Type of Funding Requested:</b> Grant
<b>Developer:</b> S. Thomas Enterprises of Sacramento, LLC	<b>Amount Requested:</b> \$14,750,716
<b>Project Name:</b> Sacramento Railyards	<b>Amount Recommended:</b> \$ 5,000,000
<b>Project Location:</b> Sacramento, Sacramento County	<b>Strategic Partner:</b> CCLR

**Summary.** S. Thomas Enterprises of Sacramento, LLC (the “Applicant”) requests approval of a grant in the amount not to exceed \$14,750,716 to finance the remediation of a brownfield to develop Sacramento Railyards. Staff is recommending the Authority approve \$5,000,000 at this time and pre-approve the remaining \$9,750,716 contingent on additional program funds being available and re-confirmation of the approval at a future Board meeting. The Applicant anticipates the mixed-use Development Project will create 197 units of affordable rental housing, including 57 rental units restricted at 50-60% area median income (AMI), 98 rental units at 40-50% AMI, 40 units at less than or equal to 40% AMI and 2 manager’s units.

**Applicant.** S.Thomas Enterprises is a for-profit developer. The sole member is Fourth Quarter Properties 130, LLC and the sole manager is Stanley E. Thomas.

**Legal Questionnaire.** The Strategic Partner and CPCFA Staff have reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Brownfield Project Description.** The 240 acre brownfield site housed Southern Pacific Railroad’s (later Union Pacific Railroad’s) principal locomotive and maintenance rebuilding facility since 1863. Operations at the site, referred to as the “Shops Area” included assembly and building of locomotives and railroad cars and repairing or refurbishing of the cars and locomotives. The “Shops Area” also produced rails, steam and ferry parts and cable cars. Many of these activities are associated with lead and other heavy metal waste. Lead, asbestos and heavy metals are the primary constituents of concern.

The primary obstacle to reusing the brownfield is related to hazardous material present in the building structures and soils. Primary infrastructure and access necessary for the success of the Infill Development Project are located within the impacted “Shops Area” requiring remediation. The Infill Development Project is located on the Railyards “East Side” and will feature two separate developments, one for a 96 unit site, the other a 101 unit site; they are located on parcels 48a and 48b respectively (See Map—Attachment A).

Description of Activity	Cost	Amount Financed by Infill Grant
Brownfields Hazardous Materials abatement	\$6,865,927	<u>\$ 2,801,737*</u>
Brownfields Soil Mitigation	594,780	<u>168,260*</u>
Utility Trenches	1,841,963	<u>513,988*</u>
Excavation for Foundation Improvements and New Foundations	519,291	<u>173,097*</u>
Near Surface Mitigation	4,669,110	<u>1,256,370*</u>
Excavations for Miscellaneous Site Improvements	<u>259,645</u>	<u>86,548*</u>
<b>TOTAL ESTIMATED COSTS:</b>	<b><u>\$14,750,716</u></b>	<b><u>\$5,000,000</u></b>

*\*The difference between the amount requested by the Applicant (\$14,750,716) and the amount recommended by staff (\$5,000,000) is due to the finite amount of resources under the Program. Staff will work with the applicant to identify the appropriate activities/costs for the recommended \$5,000,000 prior to entering into the grant agreement.*

**Oversight Agency.** Department of Toxic Substances Control.

**Infill Development Project Description.** The Infill Development Project will be a two phased mixed-use development. Phase I will consist of 96 affordable large family units and Phase II will consist of 101 affordable senior units. Each phase will have a density of roughly 100 units per acre and will have various retail and/or dining establishments on the ground floors. The Infill Development Project will serve both families and seniors with incomes ranging between 30% and 60% of the area median income.

The Infill Development Project will be part of the larger redevelopment of the Sacramento Railyards area, a historic Brownfield site, to include 12,000 housing units, 1,800 of which will be affordable (A map of the land use plan is included as Attachment B). The project is centered around the regional Sacramento Intermodal Transportation Facility (“SITF”) featuring light rail, freight and passenger rail, bus and taxi service and is being designed to accommodate future high-speed rail.

The Railyards will also deliver tremendous economic and social benefit to the region. This project will create approximately 19,000 permanent jobs and 2,800 annual construction jobs with an ongoing economic impact of \$2.7 billion per year.

**Permits.** Thomas Enterprises intends to apply for an urban development permit, grading permit, building permits, SWPPP, and air emissions permit.

**Anticipated Timeline.**

- Cleanup to Begin: February 2009.
- Cleanup to be Completed: April 2010.
- Development to Begin: November 2011.
- Development to be Completed: November 2014.

**Local Government Support.**

The Sacramento Railyards project is consistent with the Sacramento Railyards Specific Plan and the City of Sacramento General Plan, and the SACOG Regional Blueprint.

Hundreds of meetings have taken place between the developer, City, business and community leaders, neighborhood and advocacy groups; additionally, public workshops, community meetings and tours of the site have been held. The public also weighed in at multiple hearings before the City Planning, Preservation and Design Commissions. Each of those bodies, as well as the City Council, voted unanimously in support of the project. The local government has committed in excess of \$100 million in funding from various sources for the Railyards' project. After dozens of public hearings and community workshops over several years, the City Council voted unanimously on December 11, 2007 to approve entitlements for the Railyards, demonstrating its (and the City's) readiness to move forward.

**Local Government Support.** Several letters of support have been received for the project, including:

**Local Community Support.**

- Steve Yee, Vice Chair, Yee Fow Center for History, Culture and Trade (B-1)
- Linda K. Whitney, President, Sacramento Old City Association (B-2)
- Azizza Davis Goines, Sacramento Black Chamber of Commerce (B-3)
- Diana Borroel, President/CEO Hispanic Chamber of Commerce (B-5)

**Government Officials Support.**

- Heather Fargo, Mayor, Sacramento (B-6)
- State Senator Darrell Steinberg (B-8)
- Assemblymember Dave Jones (B-9)
- Senator Dave Cox (B-10)
- Matthew Mahood, President & CEO Sacramento Metropolitan Chamber of Commerce (B-12)
- Assemblymember Ted Gaines (B-13)
- Assemblymember Roger Niello (B-14)
- Congresswoman Doris Matsui (B-15)
- Mike McKeever, Executive Director Sacramento Area Council of Governments (SACOG) (B-16)

**Request to Waive Minimum/Maximum Award Amount.** The Applicant represents it is in the public interest and in furtherance of the purposes of the Program to grant a waiver to fund above the \$5 million award amount cap for The Railyards given the following set of extraordinary circumstances:

- **The Applicant represents that the Railyards is the largest urban infill project located in the country.** The 240 acre Railyards site, located in the heart of downtown Sacramento and equal in size to the existing central business district, is ready for redevelopment into a transit oriented mixed-use development to include 12,000 housing units, 1,800 of which will be affordable.

- **The Applicant represents the grant will both promote infill mixed use development at the site itself and transform the surrounding areas with a positive impact on the entire region.** Sacramento regional health is dependent on the vibrancy of the central and historic core. The Railyards will be a catalyst for redevelopment in the downtown and surrounding areas and will reinforce the core.
- **The Applicant represents the Railyards will result in substantial positive social and economic impacts.** The Railyards will deliver substantial economic and social benefit to the region. According to the City of Sacramento’s Fiscal and Economic Impact Studies, the project will create approximately 19,000 permanent jobs, 55,700 construction job years (2,800 jobs annually for 20 years) with an overall economic impact of \$33 billion dollars. It will also produce approximately \$5 million per year in net revenue to the City treasury that can be used to fund community services.
- **The Applicant represents that the site is of national historical significance.** As the western terminus of the transcontinental railroad authorized by President Lincoln in 1862 and the birthplace of industry capacity in the West, the site has enormous national significance. There is no other brownfield site in the nation that the Applicant is aware of that has the national importance of this site.
- **The Applicant represents that there will be a tremendous return on investment through private capital.** Given the significance of the shops area to the overall development, this grant will result in tremendous private investment expected to exceed five billion dollars upon full build-out of the project.
- **The Applicant represents that there are Considerable Clean up Costs/Health and Safety concerns.** After a century and a half as a heavy industrial railyard without environmental regulation, there are significant remediation issues that have to be addressed on this 240 acre site. The clean up costs to date have been borne by private parties including Thomas.

**Application Score.** The project earned a score of **115** out of **120** points in the following categories:

**(a) Readiness to Proceed. TOTAL—40/40.**

- (1) Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years if receiving the award—10/10.** Project’s EIR was certified December 12, 2007.
- (2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project— 10/10.** Funding commitments totaling full construction costs of \$51.4 Million are all either committed or under review.
- (3) The Infill Development Project has local community and government support— 10/10.** Local community support includes the Sacramento Old City Association and the Sacramento Black and Hispanic Chambers of Commerce; government support includes the mayor of the City of Sacramento.
- (4) Cleanup Plan has been approved by Oversight Agency— 5/5.** Project’s Removal Action Workplan was approved by DTSC May 8, 2003 and an Explanation of Significant Difference was finalized October 8, 2008.

- (5) **Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) in place or under review— 5/5.**
- (b) **Location within an Economically Distressed Community. TOTAL— 30/30.** Project is in a redevelopment area.
- (c) **Location within a Priority Development of a Local Governmental Entity. TOTAL— 10/10.** A letter from the City of Sacramento designates this Project a “priority development area.”
- (d) **Depth of Affordability. TOTAL— 10/10.** 20% of the Project’s 197 units are restricted to residents at or below 40% AMI, well above the 15% threshold for 10 points.
- (e) **Percentage of Affordability. TOTAL— 15/15.** 99% of the Project’s 197 units are Affordable, well above the 50% threshold for full 15 points.
- (f) **Utilization of Green Building Methods. TOTAL— 5/5.** The Project intends to pursue LEED certification.
- (g) **Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance. TOTAL— 10/10.** The Brownfield Infill Project does not include any long term operation and maintenance activities.

Tie-Breaker.

- (a) Total Brownfield Infill Project Cleanup Plan Cost: \$14,750,716.
- (b) Total no. residential housing units produced and/or promoted by Infill Development Project: 197 units.
- (c) Tie-breaker ratio [(a) / (b)]: \$74,876 / housing unit.

**Financing Details.**

- Amount of Overall Financing to be Leveraged:
  - Total Project Cost = \$51,409,282
  - Total CALReUSE Infill Grant Funding = \$5,000,000
  - CALReUSE remediation funding is leveraged **10.3 to 1**
- Sources of Financing for Brownfield Infill Project: CALReUSE.
- Sources of Financing for Infill Development Project: JP Morgan Chase construction loans and permanent loans, HCD Infill Grant, Deferred Developer Fees, and Investor Equity.

**Staff Recommendation.** Staff recommends approval of the attached Resolution for Sacramento Railyards and S. Thomas Enterprises, LLC and/or its affiliates for (1) a grant in an amount not to exceed \$5,000,000 and (2) pre-approval of the Sacramento Railyards for additional grant funding in an amount not to exceed \$9,750,716 subject to the conditions that the Authority (a) receives sufficient additional funding for the CALReUSE Remediation Program and (b) reconfirms the Project funding in a subsequent meeting.

A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING  
AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR  
S. THOMAS ENTERPRISES, LLC  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

November 19, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program;

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans;

WHEREAS, the Authority solicited applications for the CALReUSE Remediation Program and such applications were evaluated and scored pursuant to the Authority’s Regulations;

WHEREAS, S. Thomas Enterprises of Sacramento, LLC (“Applicant” and “Grantee”) has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$14,750,716 for the Sacramento Railyards Project (the “Project”);

WHEREAS, subject to meeting all the conditions set forth in this resolution the Authority reasonably expects that financing in an amount not to exceed \$14,750,716 may be funded for the Project;

WHEREAS, the Strategic Partner, Center for Creative Land Recycling, has reviewed the application and determined to recommend the Sacramento Rail Yards Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the Sacramento Rail Yards Project for funding; and

WHEREAS, the Authority finds that the project finds that this project is in the public interest and advances the purposes of the program; and

WHEREAS, approval of a grant for the Applicant by the Authority is now sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. Pursuant to the Regulations, the Authority hereby finds that the Project is eligible for financing and hereby approves a grant in an amount not to exceed \$5,000,000 for the Project described in the staff summary and the Applicant’s CALReUSE Infill Application to the Authority.

Section 2. The Project is pre-approved for additional grant funding in an amount not to exceed \$9,750,716 subject to the conditions that (i) the Authority shall have received sufficient additional funding for the CALReUSE Remediation Program and (ii) the Authority reconfirms the Project funding in a subsequent meeting.

Section 3. The Executive Director is hereby authorized for and on behalf of the Authority to take all steps necessary with respect to the Applicant including (i) notifying the Applicant that its Application has been approved for funding in an amount not to exceed \$5,000,000, (ii) preparing a commitment letter that contains the terms and conditions of funding for the Grantee, (iii) preparing and executing the final form of grant agreement and (iv) disbursing funds pursuant to the grant agreement and the Authority's Regulations.

Section 4. The Executive Director is hereby authorized for and on behalf of the Authority to approve any changes in the Project described in Exhibit A of the grant agreement as the Executive Director shall deem appropriate and authorized under the Regulations (provided that the amount of the grant may not be increased above the amount approved by the Authority).

Section 5. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Proposition 1C (2006) funds allocated to this Program not to exceed those amounts approved by the Authority for the Project approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver for the Project identified in Section 1 any and all documents necessary to complete the transfer of funds. The authority of the Executive Director is limited to payment of claims made by the Grantee in accordance with the Regulations and the grant agreement.

Section 6. Any notice to the Applicant approved hereunder shall indicate that the Authority shall not be liable to the Applicant in any manner whatsoever should such funding not be completed for any reason whatsoever. Notice to the Applicant shall include a provision making it clear that continued funding under the program is not guaranteed but is entirely dependent upon funds being available to the CALReUSE Program and the Grantee's continued compliance with the grant agreement and the regulations governing the CALReUSE Program.

Section 7. The Executive Director of the Authority is hereby authorized and directed, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

**EXHIBIT A**

TERM SHEET

**Name of Project:** Sacramento Rail Yards

**Maximum Amount of Grant:** \$5,000,000

**Strategic Partner:** Center for Creative Land Recycling

**Grantee:** S. Thomas Enterprises of Sacramento, LLC

**Financing Structure:** Grant

**Maximum Grant:** Not to exceed 6 years from first draw on funds

**Oversight Agency:** CA Department of Toxic Substance Control

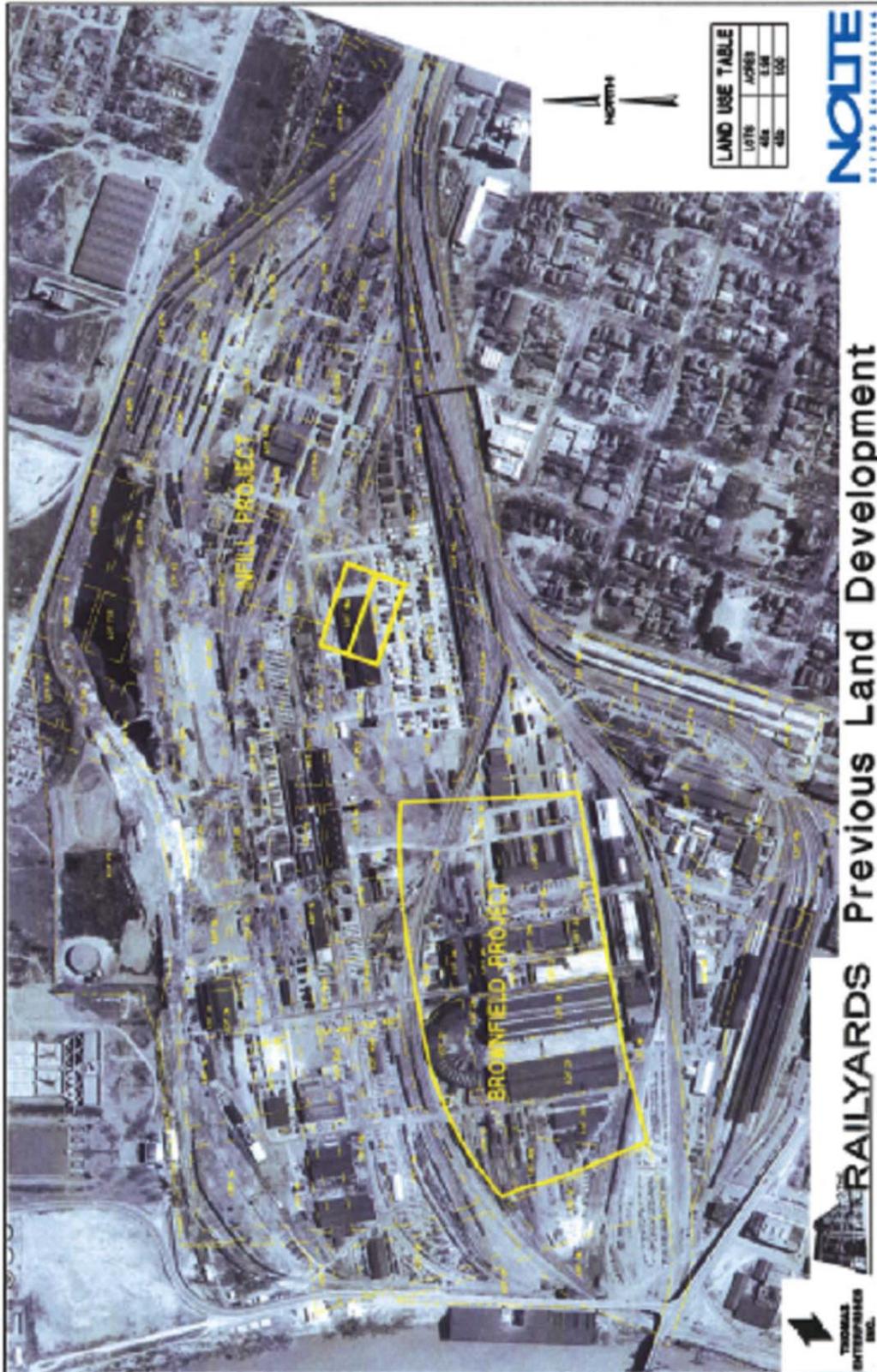
**Project Location:** Former Southern Pacific Transportation Company Sacramento Rail Yard, 401 I Street, Sacramento, CA 95814

**Infill Development Description:** 197 Rental Housing Units; 99% affordable; 57 at 50-60% area median income (AMI); 98 rental units at 40-50% AMI; 40 units at less than or equal to 40% AMI.

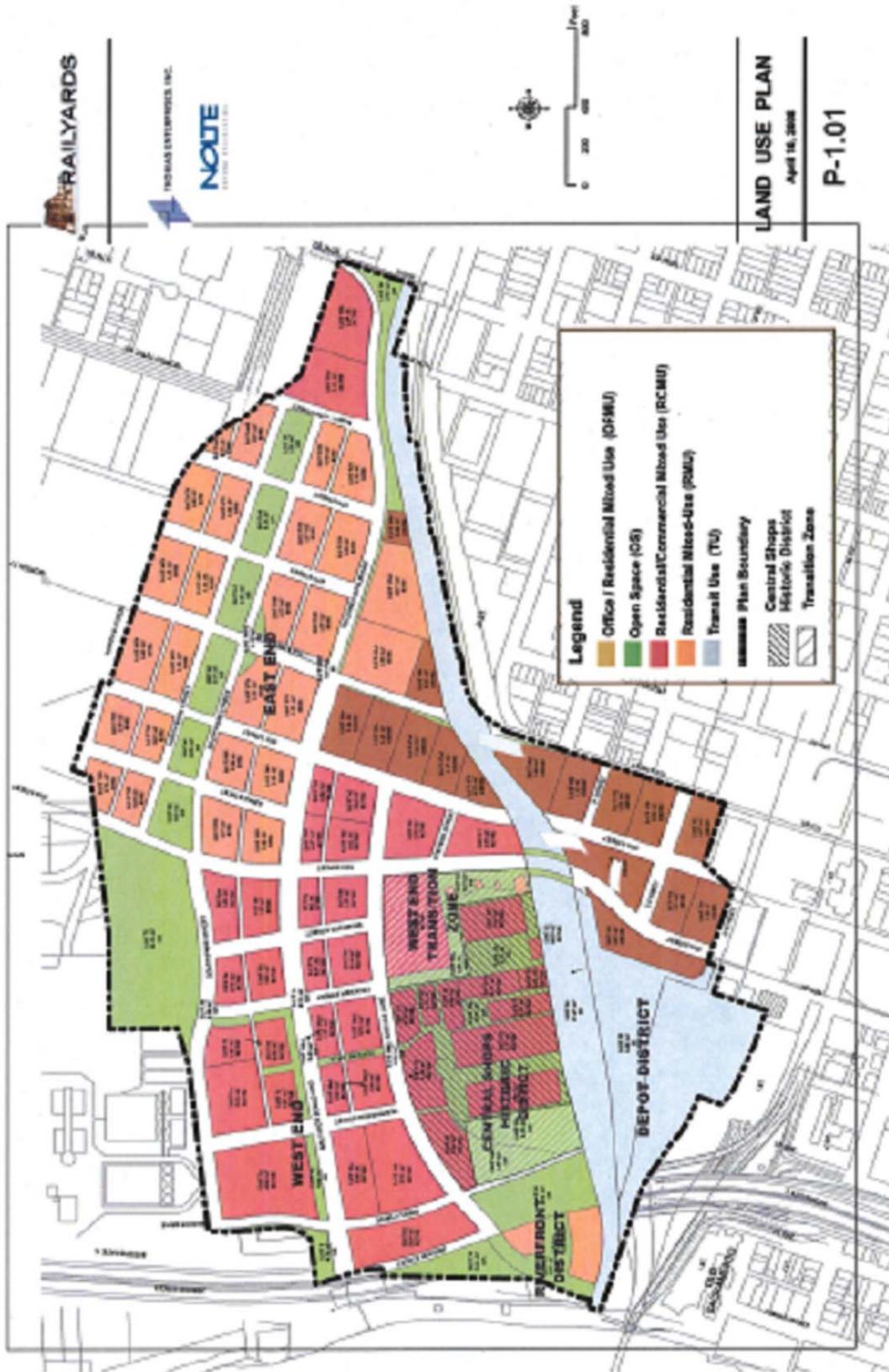
<b>Project: Description of Activity</b>	<b>Estimated Cost</b>
Brownfields Hazardous Materials Abatement	<u>\$ 2,801,737*</u>
Brownfields Soil Mitigation	<u>168,260*</u>
Utility Trenches	<u>513,988*</u>
Excavation for foundation improvements and new foundations	<u>173,097</u>
Near surface Mitigation	<u>1,256,370*</u>
	<u>*</u>
Excavations for Miscellaneous Site Improvements	<u>86,548*</u>
<b>TOTAL ELIGIBLE BROWNFIELD INFILL COSTS</b>	<b>\$5,000,000</b>

~~\*Specific line item costs will be determined prior to entering in the grant agreement.~~

Attachment A



Attachment A



Attachment B



Yee Fow Center  
for History, Culture, and Trade

Advisory Board  
Chair  
Senator Leland Yee

Co-Chairs  
Senator Darrell Steinberg  
Assemblymember Dave Jones  
Supervisor Jimmie Yee  
Councilmember Rob Fong

Vice-Chairs  
Vicki Baston  
Gordon Chang  
Joyce Eng  
Pat Fong, Kushida  
Christopher Wilson  
Steve Yee  
C.C. Yin

Members  
Rhett Beavers  
Jee Chuy  
Philip Choy  
James M. Fong  
Jeff Leader  
Sue Lee  
David Li  
Wai Moy  
Stephen Tse  
Margaret Wong  
John Wong  
Dennis H. Woo, Esq.  
Douglas H. Yee, DDS

At-Large  
Beverly Scott  
March Fong-Eu  
Illa Collins  
Jerry J. Ekenoto  
Andy Noguchi  
Santay Chung  
Jerry Chung  
Clarence Chu  
Flo Oy Wong  
Sabina Chan  
Gerrye Wong  
Connie Young Yu

427 Chiswick Mall  
Sacramento, CA 95814  
(916) 834-3477

October 13, 2008

Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
Capitol Mall, Rm. 457  
Sacramento, CA 95814

Subject: Thomas Enterprises – CALReUSE Remediation Program

Dear Honorable Chair Bill Lockyer:

The Yee Fow Center for History, Culture, and Trade Advisory Board is comprised of government officials, business and community leaders representing by a vast number of Asian-Americans throughout California and overseas.

We strongly urge you to seriously consider the request for funding made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 1C Cal Reuse Remediation Program for The Railyards. Indeed, The Railyards is arguable considered the largest infill redevelopment project in all America and the homeland to the first Asian Americans to Northern California who moved mountains building the Transcontinental Railroad, parted the waters building the vital California delta levees, and laid the foundation for California's world class agriculture.

We believe the public good is well served by this project and makes The Railyards most deserving of additional funds to grow businesses and trade relationships to impact the state's economy.

In the last few years, over 170 trade delegations from China that have visited California; New York, the next closest state, entertained 64 delegations. With the demise of the State's Trade and Commerce Agency, Sacramento, as the state capitol, has a chance to utilize a Yee Fow Center in The Railyards to receive these delegations in a center that honors their presence and reinforces California's position as a critical Pacific Rim trading partner.

I hope you will support the funding of this critical brownfield project and give special consideration to this project.

Sincerely,

Steve Yee, Vice-Chair  
Yee Fow Center for History, Culture, and Trade

cc: Michael Genest, State Finance Director  
John Chiang, State Controller  
Michael Papariari, Executive Director, CPCFA  
Stephanie Shakofsky, Executive Director, CCLR

**Attachment B**



California Pollution Control Financing Authority  
c/o Center for Creative Land Recycling  
200 Pine Street, Suite 300  
San Francisco, CA 94104  
Attention: Stephanie Shakofsky

October 2, 2008

Dear Ms. Shakofsky

The Sacramento Old City Association (SOCA) would like to offer our strong support for the request for brownfield clean up funding for The Railyards project in downtown Sacramento. This application was made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 13 Cal Reuse Remediation Program.

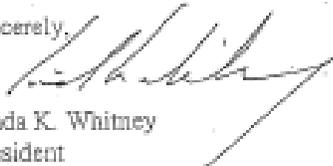
Our mission is to enhance the liveability of the Central City, preserve historic buildings and neighborhoods (this being one of our oldest and soon to be newest), and to preserve the cultural heritage of Sacramento. SOCA engages in action that preserves and enhances the quality of life for city residents, businesses and visitors by promoting harmonious relationships among residential and commercial interests. SOCA is an all volunteer organization. Members devote their time to increasing public awareness of the irreplaceable historic and cultural resources of the city.

This funding is critical to clear the path to the creation, in this truly unique setting, of a urban mixed use housing community, with historic and cultural amenities and open space. The promise of a new and economically vibrant portion to Sacramento's downtown awaits these necessary infrastructure improvements. This "infill" project will create tremendous public benefit including a significant improvement in the health and safety of the community and the environment. It also promises to create thousands of new jobs and billions of dollars of economic impact to a region that is currently suffering from the world financing crisis.

The Railyards has sat idle as a blighted brownfield site in the heart of the state capitol, at a site that is vital to the entire region. Our community, and this organization, has been awaiting the commencement of the development of The Railyards for several decades. The Railyards will not only transform the site, it will help transform downtown Sacramento, the Central City and the entire Sacramento region.

We hope you will support the funding of this critical brownfield project.

Sincerely,



Linda K. Whitney  
President  
P.O. Box 162140  
Sacramento, CA 95816

*Cherishing our Heritage - Planning our Future*

**Attachment B**

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**Sacramento Black Chamber of Commerce**

*"TAKING CARE OF BUSINESS"*

October 8, 2008

Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95814

**Subject: Proposition 1C – CALReUSE Remediation Program  
Application**

Dear Chair Lockyer:

The Sacramento Black Chamber of Commerce is pleased to offer our strong support for the request for funding made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 1C Cal Reuse Remediation Program for The Railyards in downtown Sacramento. This funding is critical to clear the path to the creation of a urban mixed use housing community, cultural amenities and open space.

Under the program, additional funding may be granted if it is in the public interest to do so. We believe there are tremendous public benefits generated by this project which make it deserving of additional funds. This project will create tremendous public benefits including a significant improvement in the health and safety of the community and the environment. It also promises to create thousands of new jobs and billions of dollars of economic impact to a region that is currently suffering from the world financing crisis. The project also preserves several historic buildings that house the history of our region and the country as the site was the birthplace of the transcontinental railroad.

2655 Del Monte Street, West Sacramento, California 95691 Phone: (916)-374-9355 Fax: (916)-374-9366

**Attachment B**

Bill Lockyer  
October 8, 2008  
Page 2

The Railyards has sat idle as a blighted brownfield site in the heart of the state capital. The entire region has been awaiting the commencement of the development of The Railyards for several decades. The Railyards will not only transform the site, it will help transform downtown Sacramento and the entire Sacramento region, making this project of regional importance to the Sacramento community.

The Sacramento Black Chamber of Commerce was organized in 1985 to bring African American business owners and professionals together to create a solid economic structure within Sacramento's business community. Our mission is to maintain a voice for economic strength in the Sacramento business community.

I hope you will support the funding of this critical brownfield project and give special consideration to this project.

Sincerely,

  
Azizza Davis Goines  
President/CEO

cc: Michael Genest, State Finance Director  
John Chiang, State Controller  
Michael Paparian, Executive Director, CPCFA  
Stephanie Shakofsky, Executive Director, CCLR

Attachment B

1491 River Park Dr, Suite 101 - Sacramento, CA 95815  
Office: 916.486.7700 - Fax: 916.486.7728 - Online: sachcc.org



Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95814

**Subject: Proposition 1C – CALReUSE Remediation Program Application**

Dear Chair Lockyer:

We are pleased to offer our strong support for the request for funding made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 1C Cal Reuse Remediation Program for The Railyards in downtown Sacramento. This funding is critical to clear the path to the creation of a urban mixed use housing community, cultural amenities and open space.

Under the program, additional funding may be granted if it is in the public interest to do so. We believe there are tremendous public benefits generated by this project which make it deserving of additional funds. This project will create tremendous public benefits including a significant improvement in the health and safety of the community and the environment. It also promises to create thousands of new jobs and billions of dollars of economic impact to a region that is currently suffering from the world financing crisis. The project also preserves several historic buildings that house the history of our region and the country as the site was the birthplace of the transcontinental railroad.

The Railyards has sat idle as a blighted brownfield site in the heart of the state capitol. The entire region has been awaiting the commencement of the development of The Railyards for several decades. The Railyards will not only transform the site, it will help transform downtown Sacramento and the entire Sacramento region, making this project of regional importance to the Sacramento community.

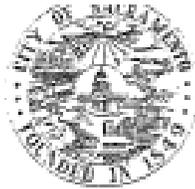
I hope you will support the funding of this critical brownfield project and give special consideration to this project.

Sincerely,

Diana Borroel  
President/CEO

cc: Michael Genest, State Finance Director  
John Chiang, State Controller  
Michael Paganian, Executive Director, CPCFA  
Stephanie Shakofsky, Executive Director, CCLR

**Attachment B**



OFFICE OF THE  
MAYOR

HEATHER PARSON  
MAYOR

CITY OF SACRAMENTO  
CALIFORNIA

October 2, 2008

Michael Papanian  
Executive Director  
California Pollution Control Financing Authority  
CALReUSE Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95814

**Subject: Letter of support for the Railyards Development Project application for Proposition 1C – CALReUSE Remediation Program Funds.**

Dear Mr. Papanian:

On behalf of the City of Sacramento, I would like to express our support for the Railyards Development application for the Proposition 1C – CALReUSE Remediation Program. The Railyards is a public-private partnership between the City of Sacramento and developer S. Thomas Enterprises of Sacramento and is a priority development area for our city and region.

The Railyards, located in the heart of downtown Sacramento and nearly equal in size to the existing central business district, is the largest urban infill area in the United States. This extraordinary historic brownfield site is home of the western terminus of the transcontinental railroad. The site is poised for redevelopment into a world class mixed use development to include 12,000 housing units. This transformative project will embody smart growth and transit oriented principles as outlined in the Sacramento Area Council of Government's Blueprint. At completion, the Railyards will be a marquee project for the State of California and a model for the country of urban brownfield redevelopment.

The Railyards will deliver tremendous economic and social benefit to our region. This project will create approximately 19,000 permanent jobs and 2800 construction jobs

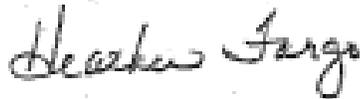
CITY HALL - FIFTH FLOOR  
915 I STREET, SACRAMENTO, CA 95814-2609  
PH 916-808-5300 • FAX 916-264-7680 [info@cityofsacramento.org](mailto:info@cityofsacramento.org)

**Attachment B**

Michael Papanian  
October 2, 2008  
Page 2 of 2

annually, with an ongoing economic impact of \$2.7 billion per year. After dozens of public hearings and community workshops over several years, the City Council voted unanimously on December 11, 2007 to approve entitlements for the Railyards demonstrating its readiness to move forward.

Sincerely,

A handwritten signature in black ink that reads "Heather Fargo". The signature is written in a cursive, flowing style.

**HEATHER FARGO**  
MAYOR

HF:FH;kb

Attachment B

STATE CAPITOL  
ROOM 4025  
SACRAMENTO, CA 95814  
TEL (916) 651-4006  
FAX (916) 323-2263

DISTRICT OFFICE  
N STREET, ROOM 878  
SACRAMENTO, CA 95814  
TEL (916) 891-1529  
FAX (916) 327-6784

California State Senate

SENATOR  
DARRELL STEINBERG  
SIXTH SENATORIAL DISTRICT



COMMITTEES  
NATURAL RESOURCES & WATER  
CHIEF  
BUDGET & FISCAL REVIEW  
SUBCOMMITTEE NO. 3 ON  
RESOURCES, ENVIRONMENTAL  
PROTECTION & ENERGY  
ENVIRONMENTAL QUALITY  
JUDICIARY  
HEALTH  
SELECT COMMITTEE  
HIGH SCHOOL GRADUATION

October 17, 2008

The Honorable Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CAL ReUSE Remediation Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95814

OCT 28 '08 PM 8:11

Subject: Proposition 1C – CAL ReUSE Remediation Program Application

Dear Chair Lockyer:

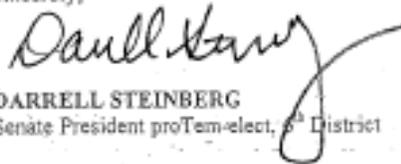
I am pleased to offer my strong support for the request for funding made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 1C Cal Reuse Remediation Program for The Railyards in downtown Sacramento. This funding is critical to clear the path for creation of a urban mixed use housing community, cultural amenities and open space.

Under the program, additional funding may be granted if it is in the public interest to do so. We believe there are tremendous public benefits generated by this project which make it deserving of additional funds, including a significant improvement in the health and safety of the community and the environment. The project also promises to create thousands of new jobs and billions of dollars of economic benefit to a region that is one of the hardest hit by the mortgage meltdown/housing crisis and the world financing crisis. The project also preserves several historic buildings that house the history of our region and the country: the site of the birthplace of the transcontinental railroad.

Until recently, the Railyards sat idle as a blighted brownfield site in the heart of the state capital. The entire region has been eagerly awaiting the commencement of The Railyards project for several decades. The Railyards will not only transform the site, it will help transform downtown Sacramento and the entire Sacramento region, making this project of regional importance to our community.

I hope you will support the funding of this critical brownfield project and give special consideration to this project.

Sincerely,

  
DARRELL STEINBERG  
Senate President proTem-elect, 6th District

DS:kd

cc: Michael Genest, State Finance Director  
John Chiang, State Controller  
Michael Paparian, Executive Director, CPCFA  
Stephanie Shakofsky, Executive Director, OCLR

Attachment B

CHAIR  
JUDICIARY  
  
COMMITTEES  
AGRICULTURE  
BUDGET  
HEALTH  
UTILITIES AND COMMERCE  
  
SUBCOMMITTEE  
JOINT SUBCOMMITTEE ON  
RESOURCES

Assembly  
California Legislature



DAVE JONES  
ASSEMBLY MEMBER, NINTH DISTRICT  
CHAIR, JUDICIARY COMMITTEE

STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0094  
(916) 319-2020  
FAX (916) 319-2100  
  
DISTRICT OFFICE  
810 L STREET, SUITE 110  
SACRAMENTO, CA 95814  
(916) 304-4070  
FAX (916) 307-3308  
  
E-MAIL:  
assemblymember.jones@assembly.ca.gov  
  
WEB:  
www.assembly.ca.gov/djones

October 10, 2008

Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95814

Subject: Proposition 1C – CALReUSE Remediation Program Application

Dear Chairperson <sup>B.A.</sup> Lockyer:

I write to convey my strong support for the request for funding made by S. Thomas Enterprises of Sacramento, LLC from the Proposition 1C Cal Reuse Remediation Program for The Railyards project in downtown Sacramento. This funding is critical to clear the path to the creation of an urban mixed use housing community, cultural amenities and open space.

Under the program, additional funding may be granted if it is in the public interest to do so. I believe there are important public benefits generated by this project which make it deserving of additional funds. This project will create tremendous public benefits including a significant improvement in the health and safety of the community and the environment. It also promises to create thousands of new jobs and hundreds of millions of dollars of economic development. The project also preserves several historic buildings that house the history of our region and the country as the site was the birthplace of the transcontinental railroad.

The Railyards has sat idle for decades as a blighted brownfield site in the heart of the state capitol. The entire region has been awaiting the commencement of the development of The Railyards. The Railyards will not only transform the site, it will help transform downtown Sacramento and the entire Sacramento region, making this project of regional importance to the Sacramento community.

I hope you will support the funding of this critical brownfield project and give special consideration to this project.

Sincerely,  
  
DAVE JONES  
Assemblymember, 9<sup>th</sup> District

cc: Michael Gemest, State Finance Director  
John Chiang, State Controller  
Michael Papanian, Executive Director, CPCFA  
★ Stephanie Shakofsky, Executive Director, OCLR

Attachment B

STATE OFFICE  
 STATE CAPITOL  
 SACRAMENTO, CA 95814  
 TEL: (916) 227-3000  
 FAX: (916) 227-3000  
 DISTRICT OFFICE  
 2140 BRIDGEWAY, SUITE 200  
 SACRAMENTO, CA 95811  
 TEL: (916) 754-2200  
 FAX: (916) 754-2400  
 2200 BROADWAY  
 JACKSON, CA 95602  
 TEL: (916) 227-0140  
 2080 E MARKET  
 COLUSA, CA 95921  
 TEL: (916) 223-3400  
 FAX: (916) 223-3400  
 www.sen.ca.gov  
 SENATOR.DAVE@SEN.CA.GOV

California State Senate

SENATOR  
 DAVE COX  
 FIRST SENATE DISTRICT



COMMITTEES  
 APPROPRIATIONS  
 RICE CHAIR  
 LOCAL GOVERNMENT  
 TICE CHAIR  
 MEMBER  
 BANKING, FINANCE  
 & INSURANCE  
 ENERGY, UTILITIES  
 & COMMERCE  
 HEALTH

October 9, 2008

The Honorable Bill Lockyer, Chair  
 California Pollution Control Financing Authority  
 915 Capitol Mall, Rm. 457  
 Sacramento, CA 95814

Subject: Proposition 1C – CALReUSE Remediation Program Application

Dear Chairman Lockyer:

This is to offer my strong support for the request for funding made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 1C Cal Reuse Remediation Program for The Railyards in downtown Sacramento. This funding is critical to clear the path to the creation of a urban mixed use housing community, cultural amenities and open space.

Under the program, additional funding may be granted if it is in the public interest to do so. I believe there are tremendous public benefits generated by this project which make it deserving of additional funds. It promises to create thousands of new jobs and billions of dollars of economic impact to a region that is currently suffering from the world financial crisis. The project also preserves several historic buildings that house the history of our region and the country as the site was the birthplace of the transcontinental railroad.

The Railyards has sat idle as a blighted brownfield site in the heart of the state capitol city for many years. The entire region has been awaiting the commencement of the development of The Railyards for several decades. The Railyards will not only transform the site, it will help transform downtown Sacramento and the entire Sacramento region, making this project of regional importance to the entire Sacramento community.

**Attachment B**

I respectfully request your support for funding to clean up this critical brownfield and your special consideration to this project. Thank you in advance for your prompt consideration of this request.

Sincerely,



DAVID COX  
Senator, First District

cc: Michael Genest, State Finance Director  
The Hon. John Chiang, State Controller

Attachment B

October 10, 2008

Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95814



**chamber**  
SACRAMENTO METRO CHAMBER  
CHAMBER OF COMMERCE

Richard Jackson  
California Public Affairs Manager

Linda Carter  
Non-Residential Development Director

Randy Sauer  
Senior Vice President

Kathy Malcom  
Vice President, External Affairs

John O'Rourke  
Assistant General Manager

Bruce Cohen  
President

Deborah Peters  
Senior Vice President, Public Affairs

Steve Bernard  
Senior Vice President, Advertising

Tom Oakland  
Vice President

John Lindbeck  
President/CEO

Erinno Desautels  
President

Robert Dugan  
Legislative and Public Affairs

Greg Barbridge  
Non-Residential Area Manager

Pete Fernandez  
Regional Vice President

Christopher Deffen  
Secretary

Werner Rothweg  
Vice President

Matthew Mahood  
President and CEO

Dear Chair Lockyer:

On behalf of the Sacramento Metro Chamber, I respectfully urge you to support the request for funding made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 1C Cal Reuse Remediation Program for The Railyards in downtown Sacramento. In order to move forward on this significant development, which includes a thriving mixed-use housing community, open space and cultural amenities, your approval of this funding is critical.

The Prop 1C Cal Reuse Remediation Program allows additional funding to be granted if it is in the public interest to do so. We at the Metro Chamber believe that this project will result in enormous benefits to our community, which is why the Railyards project is worthy of additional funds. As a Blueprint friendly project, the Railyards will contribute to significant improvements to the environment. This project will also generate thousands of new jobs and will have a positive economic impact on the struggling California economy. Finally, the Railyards project aims to preserve several historic buildings in order to maintain the historical integrity of our region, as it is the birthplace of the transcontinental railroad.

The Sacramento Metro Chamber remains a consistent and strong advocate of the Railyard project, which will transform the defunct 240-acre railyard, located in prime proximity to both the river and downtown Sacramento, into a vibrant new regional center alive with shops, housing, sidewalk cafes, theaters, art galleries, museums and parks. The Railyards project is one of the largest urban-infill development project in the nation and embraces many of the award-winning Blueprint principles for smart growth including, mixed-use developments, transportation choices, compact development, use of existing assets and housing choice.

The Sacramento Metro Chamber is the largest, oldest and most prominent voice of business in the greater Sacramento area. Representing nearly 2,500 member businesses and business organizations in the six county Sacramento region, the Sacramento Metro Chamber serves as the region's leading proponent of regional cooperation and primary advocate on issues affecting business, economic development and quality of life.

On behalf of the Metro Chamber, I respectfully urge you to support the funding of this extremely important project and give special consideration to the Railyards project.

Sincerely,

Matthew R. Mahood  
President and CEO

One Capitol Mall, Suite 400  
Sacramento, California 95814

fax 916-442-2677

chamber@metrochamber.org

Attachment B

12/26/2008 10:34:14 AM FAX 916 222 7100

ASSEMBLY MAIL ROOM

12/26/08

TELE. ROOM  
P.O. BOX 90000  
SACRAMENTO, CA 95833-0000  
916/222-7100  
FAX 916/222-7100  
DISTRICT OFFICE  
1700 BARRING AVE. STE 100  
FOLSOM, CA 95630  
916/222-7100  
FAX 916/222-7100

Assembly  
California Legislature

COMMITTEES  
BANKING AND FINANCE, JOBS, GOVERNANCE  
HEALTH  
LABOR AND EMPLOYMENT



TED GAINES  
MEMBER, PUBLIC POLICY COMMITTEE

October 10, 2008

Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
913 Capitol Mall, Box 437  
Sacramento, CA 95814

Subject: Proposition 1C - CALReUSE Remediation Program Application

Dear Chair Lockyer:

I am pleased to offer strong support for the request for funding made by S. Thomas Enterprises of Sacramento, LLC for The Railyards in downtown Sacramento. This funding is critical to the creation of an urban mixed use housing, community, cultural, artistic and open space.

Under the program, additional funding may be granted if it is in the public interest to do so. This project will benefit the public in many ways, including the significant improvement of the health and safety of the community and environment. It also promises to create thousands of new jobs and billions of dollars of economic impact to a region that is currently suffering from the world financial crisis. The project also preserves several historic buildings that house the history of our region and the country as the site was the birthplace of the transcontinental railroad.

The Railyards has an idyllic as a blighted brownfield site in the heart of the state capital. The entire region has been waiting for commencement of the development of The Railyards for several decades. The Railyards will not only transform the site, it will help transform the downtown area and the entire Sacramento region, making this project of regional importance to the Sacramento community.

I hope you will support the funding of this critical brown-field project and give special consideration to this project.

Sincerely,

TED GAINES  
Assemblyman, 4<sup>th</sup> District

cc: Michael Gessert, State Finance Director  
John Chiang, State Controller  
Michael Paparian, Executive Director, CFCFA  
Stephanie Shalofsky, Executive Director, CICLE

F:\Users\Ted Gaines

Attachment B

STATE OFFICE  
P.O. BOX 940048  
SACRAMENTO, CA 95824-0005  
TEL: (916) 306-3000  
FAX: (916) 306-3100

DISTRICT OFFICE  
401 CHIPPENDALE DRIVE, STE. 401  
SACRAMENTO, CA 95811  
TEL: (916) 306-1990  
FAX: (916) 306-1999

AssemblyMember.Niello@asmn50.ca.gov  
www.assembly.ca.gov/niello

Assembly  
California Legislature



ROGER NIELLO  
ASSEMBLYMAN, FIFTH DISTRICT

COMMITTEES  
VICE CHAIR, BUDGET  
ELECTIONS AND REDISTRICTING

JOINT COMMITTEES  
JOINT LEGISLATIVE BUDGET  
COMMITTEE  
EMERGENCY SERVICES AND  
HOMELAND SECURITY

SELECT COMMITTEES  
SELECT COMMITTEE ON  
FOSTER CARE  
SELECT COMMITTEE ON  
GROWTH MANAGEMENT

October 14, 2008

Honorable Bill Lockyer, State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95834

Subject: Proposition 1C – CALReUSE Remediation Program Application

Dear Chairman Lockyer:

I am pleased to offer my strong support for the request for funding made by S. Thomas Enterprises of Sacramento, LLC to the Proposition 1C Cal Reuse Remediation Program for The Railyards in downtown Sacramento. This funding is critical to clear the path to the creation of an urban, mixed use housing community, cultural amenities, and open space.

Under the program, additional funding may be granted if it is in the public interest to do so. We believe there are tremendous public benefits generated by this project which make it deserving of additional funds. This project will create tremendous public benefits including a significant improvement in the health and safety of the community and the environment. It also promises to create thousands of new jobs and billions of dollars of economic impact to the Sacramento region. The project also preserves several historic buildings that house the history of the region and the country as the site was the birthplace of the transcontinental railroad.

The Railyards has sat idle as a blighted brownfield site in the heart of the state capitol. The entire region has been awaiting the commencement of the development of The Railyards for several decades. The Railyards will not only transform the site, it will help transform downtown Sacramento and the entire Sacramento region, making this project of regional importance to the Sacramento community.

Thank you in advance for your consideration of this request for funding of this critical brownfield project.

Sincerely,

  
ROGER NIELLO  
Assemblyman, 5<sup>th</sup> District

Attachment B

DORIS O. MATSUI  
5th District, California  
COMMITTEE ON ENERGY  
AND COMMERCE  
COMMITTEE ON RULES

Congress of the United States  
House of Representatives  
Washington, DC 20515-0505

WASHINGTON OFFICE:  
222 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-0400  
(202) 225-1133  
  
DISTRICT OFFICE:  
ROBERT T. MATSUI U.S. CONGRESSMAN  
5211 STREET, SUITE 12-002  
SACRAMENTO, CA 95814  
(916) 486-0880  
RM070486A.P0000000

October 15, 2008

The Honorable Bill Lockyer  
State Treasurer and Chair  
California Pollution Control Financing Authority  
CALReUSE Program  
915 Capitol Mall, Rm. 457  
Sacramento, CA 95814

OCT 16 '08 PM 4

Subject: Application for funding from Proposition 1C

Dear Mr. Lockyer:

As the California Pollution Control Financing Authority considers applications for funding through the CALReUSE Remediation Program, I am writing to offer my support to Thomas Enterprises and the City of Sacramento for the Railyards Development Project.

Thomas Enterprises and the City of Sacramento are working together to redevelop a historic brownfield site that sits adjacent to Sacramento's downtown core. Once used by Union Pacific Railroad as the transcontinental railroad hub, the site will be transformed into an urban environment where business can thrive and families can live. This project will create 19,000 permanent jobs, bring in more than \$2 billion a year in revenue to the region, and preserve many historic buildings, while also being home to a new intermodal transportation facility. I believe the city, state, and nation have a tremendous interest in this project because of its infill and "smart growth" strategy, and its economic impact on the entire Sacramento region.

I am pleased to support Thomas Enterprises and the City of Sacramento in its application for funding through the CALReUSE Remediation Program, and am confident that the completion of this project will be an example and success story for other cities throughout the nation to follow.

Sincerely,



DORIS O. MATSUI  
Member of Congress

cc: John Chiang, California State Controller  
Michael Genest, California State Finance Director  
Michael Papanian, Executive Director, CPCFA

Attachment B

Sacramento Area Council of Governments

1415 L Street, Suite 180 Sacramento, CA 95834

tel: 916.321.9600 fax: 916.321.9650 tdd: 916.321.9558 www.sacog.org



October 13, 2008

Bill Lockyer, State Treasurer and Chair California Pollution Control Financing Authority CALReUSE Program 915 Capitol Mall, Room 457 Sacramento, CA 95814

OCT 15 '08 PM 3:4

RE: Railyards Development Project Support Letter Proposition 1C – CALReUSE Remediation Program Funds

Dear Chair Lockyer:

On behalf of the Sacramento Area Council of Governments (SACOG), I am offering my strong support for the Railyards Development application for Proposition 1C CALReUSE Remediation Program by the public partnership between the City of Sacramento and S. Thomas Enterprises. The Railyards project is of critical importance to the Sacramento region, and is vital to the successful implementation of SACOG's Blueprint Project.

The Sacramento Region Blueprint Project, initiated SACOG in 2002, involved a comprehensive study of the region's land use patterns and transportation system. The purpose of the Blueprint Project is to encourage local jurisdictions to apply principles of smart growth and sustainable development to future land use planning in the region to link transportation and land use development more closely. In December 2004, the SACOG Board of Directors adopted the Preferred Blueprint Scenario, a bold vision for growth in the Sacramento region that promotes compact, mixed-used development and more transportation choices as an alternative to low-density development.

The Railyard Project will develop a well-planned, mixed use, higher density urban core community. This project represents a showcase example of how smart growth can be achieved through urban infill development in the Sacramento region. The project is a 244-acre infill project of a former railyard adjacent to Sacramento's downtown that may provide between 10,000 to 12,500 units of housing, over two million square feet of office space, 1.4 million square feet of retail space, and over 40 acres of open space and park. The site will be served by bus, light rail, and will have be very pedestrian-oriented. The overall project meets the Blueprint's guiding principles of offering housing options, creating a pedestrian and transit friendly transportation system, developing a mixed use, high density environment, and being surrounded by existing urban development.

The Railyards Project is a priority development area for the Sacramento region, and I urge your consideration in funding the project funding request. If you have any questions, please feel free to contact me at (916) 321-9000.

Sincerely,

Handwritten signature of Mike McKeever

Mike McKeever Executive Director

cc: Subeil J. Totah, Vice President, Thomas Enterprises, Inc. John Chiang, State Controller Michael Papanian, Executive Director, CPCFA Stephanie Shakofsky, Executive Director, CCLR Thomas Sheehy, CA Dept of Finance

- Author
Chris Nguyen
Office
Date
El Dorado County
Elk Grove
Folsom
Galt
Graton
Hood
Live Oak
Lodi
Marysville
Placer County
Placerville
Rocklin
Roseville
Sacramento
Sacramento County
Sutter County
West Sacramento
Woodland
Yuba County
Yuba City
Yuba County